

1 AN ACT concerning budget stabilization.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 1. Short title. This Act may be cited as the
5 Budget Stabilization Act.

6 Section 5. Budget Stabilization Fund. The Budget
7 Stabilization Fund is a special fund in the State treasury
8 established for the purpose of reducing the need for future
9 tax increases, maintaining the highest possible bond rating,
10 reducing the need for short term borrowing, providing
11 available resources to meet State obligations whenever casual
12 deficits or failures in revenue occur, and providing the
13 means of addressing budgetary shortfalls. In authorizing
14 transfers from the Budget Stabilization Fund, whenever
15 possible, priority consideration should be given to meeting
16 obligations for secondary and elementary education, child
17 care, and other programs that may provide a direct benefit to
18 children.

19 Section 10. Budget limitations.

20 (a) In addition to Section 50-5 of the State Budget Law
21 of the Civil Administrative Code of Illinois, the General
22 Assembly's appropriations from general funds shall not exceed
23 99.5% of the estimated general funds revenues for the fiscal
24 year when revenue estimates of the State's general funds
25 revenues exceed the prior fiscal year's estimated general
26 funds revenues by more than 4%.

27 (b) The General Assembly's appropriations from general
28 funds shall not exceed 99% of the estimated general funds
29 revenues for the fiscal year when revenue estimates of the
30 State's general funds revenues exceed the prior fiscal year's

1 estimated general funds revenues by more than 4% for 2 or
2 more consecutive fiscal years.

3 Section 15. Transfers to Budget Stabilization Fund and
4 Early Debt Retirement Fund.

5 (a) For each fiscal year when the General Assembly's
6 appropriations from general funds do not exceed 99.5% of the
7 estimated general funds revenues pursuant to subsection (a)
8 of Section 10, the Comptroller shall transfer from the
9 General Revenue Fund as provided by this Section a total
10 amount equal to .5% of the estimated general funds revenues
11 to the Budget Stabilization Fund or the Early Debt Retirement
12 Fund.

13 (b) For each fiscal year when the General Assembly's
14 appropriations from general funds do not exceed 99% of the
15 estimated general funds revenues pursuant to subsection (b)
16 of Section 10, the Comptroller shall transfer from the
17 General Revenue Fund as provided by this Section a total
18 amount equal to 1% of the estimated general funds revenues to
19 the Budget Stabilization Fund or the Early Debt Retirement
20 Fund.

21 (c) The Comptroller shall transfer 1/12 of the total
22 amount to be transferred each fiscal year under this Section
23 into the Budget Stabilization Fund on the first day of each
24 month of that fiscal year or as soon thereafter as possible.
25 The balance of the Budget Stabilization Fund shall not exceed
26 4% of the total of general funds revenues estimated for that
27 fiscal year.

28 (d) If the balance of the Budget Stabilization Fund
29 exceeds 4% of the total general funds revenues estimated for
30 that fiscal year, the Comptroller shall transfer 1/12 of the
31 total amount identified for transfer to the Early Debt
32 Retirement Fund into the Early Debt Retirement Fund on the
33 first day of each month of that fiscal year or as soon

1 thereafter as possible.

2 (e) Nothing in this Act prohibits the General Assembly
3 from appropriating additional moneys into the Budget
4 Stabilization Fund or the Early Debt Retirement Fund.

5 Section 90. The State Finance Act is amended by changing
6 Sections 6z-51 and by adding Sections 5.595 and 6z-65 as
7 follows:

8 (30 ILCS 105/5.595 new)

9 Sec. 5.595. The Early Debt Retirement Fund.

10 (30 ILCS 105/6z-51)

11 Sec. 6z-51. Budget Stabilization Fund.

12 (a) The Budget Stabilization Fund, a special fund in the
13 State Treasury, shall consist of moneys appropriated or
14 transferred to that Fund, as provided in Section 6z-43 and as
15 otherwise provided by law. All earnings on Budget
16 Stabilization Fund investments shall be deposited into that
17 Fund.

18 (b) The State Comptroller may direct the State Treasurer
19 to transfer moneys from the Budget Stabilization Fund to the
20 General Revenue Fund in order to meet deficits resulting from
21 timing variations between disbursements and the receipt of
22 funds within a fiscal year. Any moneys so borrowed shall be
23 repaid by June 30 of the fiscal year in which they were
24 borrowed.

25 (Source: P.A. 92-11, eff. 6-11-01; 92-651, eff. 7-11-02.)

26 (30 ILCS 105/6z-65 new)

27 Sec. 6z-65. Early Debt Retirement Fund. The Early Debt
28 Retirement Fund is created as a special fund in the State
29 treasury. Moneys in the Early Debt Retirement Fund may be
30 expended, subject to appropriation, for the payment of

1 deferred liabilities under Section 25 of this Act; the early
2 retirement of unfunded pension liabilities; the retirement of
3 bonded indebtedness when practical; and the funding of other
4 long-term fiscal needs of the State.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.